

AUSTRALIAN SILICA QUARTZ GROUP LIMITED

RC DRILLING COMMENCES AT QUEENSLAND QUARTZ PROJECT



- Australian Silica Quartz Group Limited ('ASQ' ASX:ASQ) advises that a reverse circulation (RC) drilling programme commenced today at the Queensland Quartz Hill Project prospective for Metallurgical Grade Silicon Quartz Lump feedstock ('MGSi Quartz').
- The programme will be the first subsurface exploration completed on the project and marks the start of ongoing work planned at Quartz Hill under the recently announced Project Development Heads of Agreement with Private Energy Partners Pty Ltd ('PEP').
- ASQ has received \$1 million from PEP in return for the exclusive right to purchase 10 million tonnes of MGSi Quartz from the mine gate at Quartz Hill at a 10% discount to the prevailing MGSi Quartz market price or such price that would constitute a fair market return to ASQ (whichever is the greater).
- The funds will be used for an exploration drilling programme at Quartz Hill with the aim of establishing JORC 2012 MGSi Quartz mineral resource of at least 10Mt and a Scoping Study and application for a mining lease within a period of 1 year from the signing of the Agreement.



RC Drilling underway today at Quartz Hill EPM 26702 (ASQ 100%)

17 August 2023

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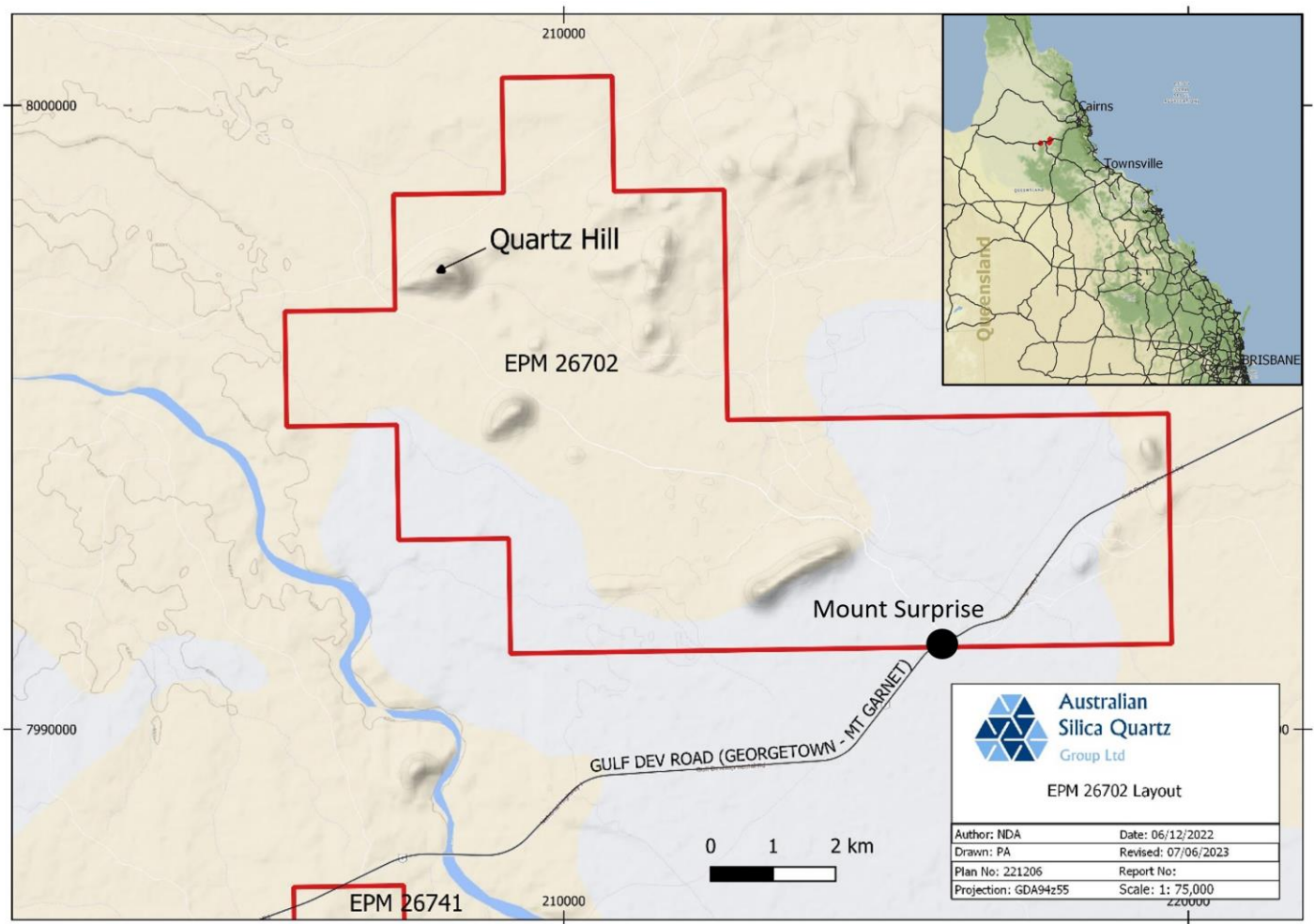


Figure 1: Quartz Hill MGSi Quartz Project Locality and Tenement Plan

Quartz Hill is located on EPM 26702 (ASQ 100%) near the town of Mount Surprise, 200km southwest of Cairns and 290km northwest of Townsville in North Queensland (Figure 1).

The planned programme consists of around 2,000m of RC drilling and is expected to take 2 weeks to complete. Approximately 15 to 20 angled holes up to 150m in length will be drilled predominantly on the upper flanks of the Quartz Hill ridge (see planned drill hole modelling in figures 2 and 3 below).

Selected samples will be analysed for trace geochemistry and other physical properties specific to the MGSi applications. Drilling and testwork results will be sent for analysis with expected results to be reported in the December quarter 2023.

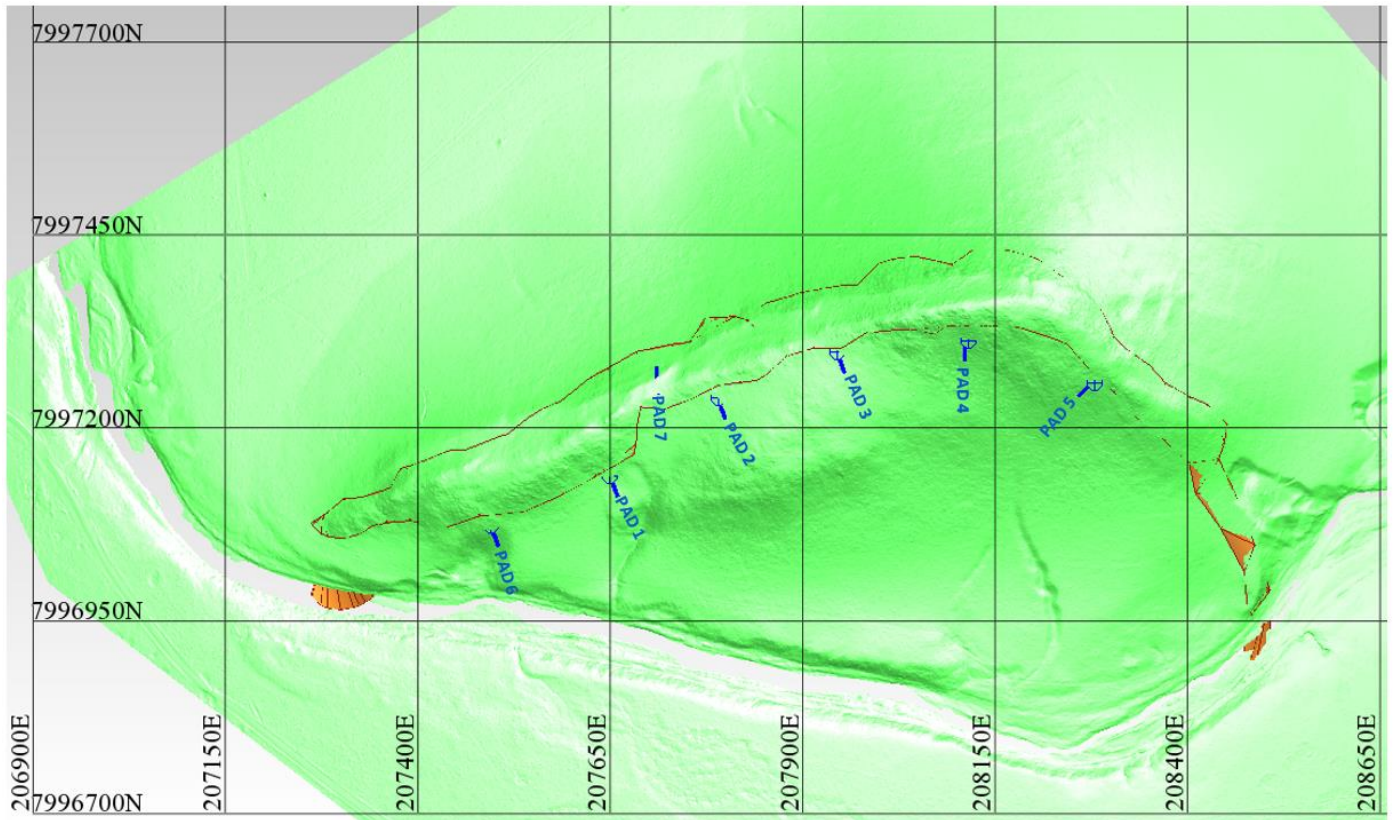


Figure 2: Quartz Hill MGSi Quartz Project Drill Plan (Mapped quartz vein trace in brown, planned hole pads in blue)

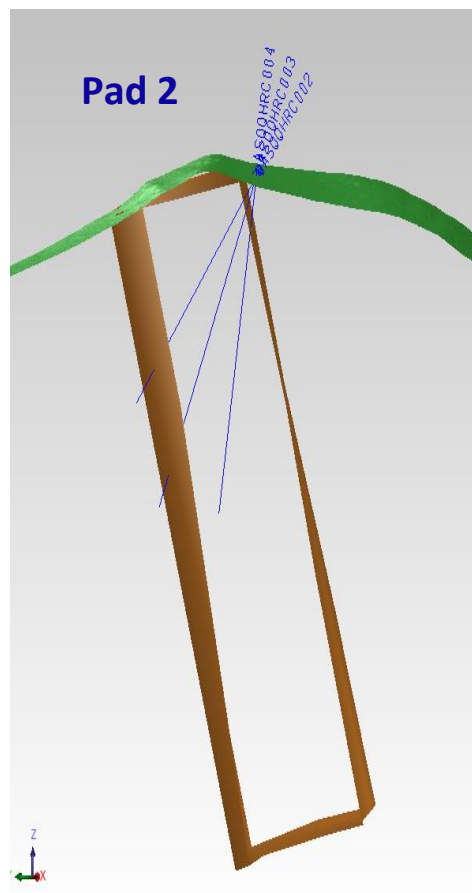


Figure 3: Schematic cross section at Pad 2 (207790mE) with proposed drill holes as blue strings

This announcement has been approved for release by the Board

Competent persons statement

The information in this document that relates to exploration results is based on data collected under the supervision of Mr Nick Algie in his capacity as Exploration Manager for Australian Silica Quartz Group Limited. Mr Algie is a registered member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the type of deposit and style of mineralisation under consideration to qualify as a competent person under the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Algie consents to the inclusion of the data in the form and context in which it appears.

Please refer to the following announcements for further details on the Quartz Hill MGSi Quartz Project and related exploration results:

Release Date	Announcement Title
27 April 2023	HARDROCK SILICA QUARTZ – QUEENSLAND PROJECTS UPDATE
1 May 2023	HARDROCK SILICA QUARTZ – QUEENSLAND PROJECTS UPDATE – CLARIFICATION
7 July 2023	ASQ FINALISES EXCLUSIVE RIGHTS TO 10MT QUARTZ OFFTAKE
12 July 2023	ASQ RECEIVES \$1 MILLION FOR QUARTZ HILL DEVELOPMENT

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.